



Commonwealth of Massachusetts

DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT

Deval L. Patrick, Governor ♦ Timothy P. Murray, Lt. Governor ♦ Tina Brooks, Undersecretary

CDBG One-Year Action Plan FY 2009 Preliminary Proposed Changes

APPLICANT/PROJECT THRESHOLDS

Timely Expenditure - Mass CDBG requires that all applicants – including lead applicants and joint participants – who have received grants comply with a timely expenditure threshold in order to apply for FY 2009 programs. If a joint participant has been a lead grantee in a CDBG grant, that community must meet the timely expenditure threshold in order to be included in a joint application.

For FY 2009, in order to apply for CDBG funding, a community must demonstrate, using the most recent financial status report, at the time of application, it has no more than \$200,000 in unexpended CDBG¹ program funds for all active grants awarded from fiscal years 2006 and 2007. Any FY 2005 or earlier awarded funds must be fully expended, or returned to the Commonwealth, at the time of application.

For FY 2010, it is anticipated that Mass CDBG will institute a percentage-based system for calculating timely expenditure. Applicants must demonstrate that 100% of all grant funds awarded for fiscal year 2007 have been fully expended, 90% of funds awarded in FY 2008 and 50% of funds awarded in FY 2009.

Targeted Activities - All FY 2009 applications must propose activities that are targeted to a geographic area. Applicants will demonstrate this through an additional narrative listing the CDBG-funded activities, the target area and anticipated measurable improvements that will result. Communities with populations under 5,000 may define their entire community as a target area. Housing Rehabilitation Programs may be designed to allow up to 20% of the funds to be used for emergency purposes outside the target area. Regional applications may only receive targeting points if the proposed activity(ies) in each participating community is targeted.

Bonus points - Five additional points are available to applicants proposing multiple activities in a target area that will further accomplish the municipal Community Development Strategy for the target area. A minimum of at least two activities must be fundable to receive bonus points.

An additional five points will also be awarded if an applicant demonstrates that non CDBG-funded projects consistent with the community's Community Development Strategy and the requested CDBG activities are also targeted to the same geographic area and will also result in measurable improvements. These points will not be awarded for municipal operating budget activities, maintenance activities/projects, or activities that are an extension of a requested CDBG activity such as lead abatement funds to serve the same units as those in a proposed housing rehabilitation program.

Bid-ready Plans and Specifications – Communities may demonstrate compliance with the requirement for specifications by submitting the table of contents for the specifications and a letter signed by the project

¹ CDBG includes CDF I and II, Mini-Entitlement, HDSP, EDF grants, and Reserves, but for the purposes of this calculation excludes loans from EDF, Section 108, and Bridge Financing Program. Planning-only grants of \$50,000 or less are also excluded from this calculation.

architect attesting to the fact that a complete set of specifications has been prepared and is bid-ready. Plans must still be provided in electronic format within an application.

Target Area funds - If excess funds remain from a target area activity, either due to budgetary reasons or because of less demand for the activity than projected, the community must return the funds or request DHCD approval to reprogram the awarded funds. DHCD's preference is to approve reprogramming for the following purposes and in the following order:

- Funds will be used for eligible housing activities in the target area,
- Funds will be used for eligible housing activities in the remainder of the community.

If the excess funds cannot be used for housing purposes, DHCD will require a detailed request describing the reprogramming and may require that the funds be returned.

CDBG PROGRAM COMPONENTS

CDF I Community Eligibility - Communities with a Community Wide Need score of 25 or 26 may choose to apply to either CDF I or CDF II, subject to the requirements of the two components. Communities can participate in only one fund for all FY09 applications. A community may not apply to separate funds in different applications.

Housing Development Support Program - is no longer a component of the MA CDBG program. Similar projects are an eligible activity under CDF I and CDF II. Application requirements and details will be included in the One Year Action Plan and application guidance materials. Total cost may not exceed \$125,000 per unit. One-Stop applications will no longer be required for this activity.

AVAILABILITY OF FUNDS

Application Due Dates for CDBG FY 2008 Program are as follows:

Community Development Fund:	February 13, 2009
Mini-Entitlement Program:	February 13, 2009
Economic Development Fund:	Applications accepted on an ongoing basis

DHCD will hold information sessions in October to receive comments on proposed changes to the FY2009 CDBG One Year Action Plan. Times and locations will be distributed shortly. Interested parties should feel free to submit comments, in writing or via email, directly to the CDBG program prior to the scheduled sessions. Comments may be directed to: Mark Siegenthaler, Community Development Manager, DHCD, 100 Cambridge St, Suite 300, Boston, MA 02114 or mark.siegenthaler@state.ma.us.